

PROPOSED:  
*New Jersey Register*  
September 6, 2005  
37 N.J.R. 3173(a)

HIGHER EDUCATION  
EDUCATIONAL OPPORTUNITY FUND

Administrative Procedures and Policies

Financial Eligibility

Proposed Amendments: N.J.A.C. 9A:11-2.4, 2.6, 3.2, 3.4, 3.5 and 6.1

Authorized By: Educational Opportunity Fund Board of Directors,  
Anibal Ramos, Chairman

Authority: N.J.S.A. 18A:71-33

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN: 2005 – 335

Submit written comments by November 5, 2005 to:

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The agency proposal follows:

### Summary

The Educational Opportunity Fund (EOF) Program provides students from educationally disadvantaged backgrounds with financial aid and support services while enrolled at participating New Jersey colleges and universities. The program is a collaborative effort: the EOF Board of Directors (under the general supervision of the Commission on Higher Education) administers the program, and the participating institutions directly serve the students.

Working with the institutions, the EOF Board maintains a Statewide system to identify and recruit potential college students from backgrounds of historical poverty; develops eligibility criteria for EOF financial assistance based on students' income and their potential for success in college; establishes procedures to determine the amount of the academic year grants according to the total financial need of each student; and advises on the development, organization, and coordination of a wide range of educational support and enrichment activities.

To effect the required annual notice regarding the EOF income eligibility scale, the EOF Board proposes amendments at N.J.A.C. 9A:11-2.4(a) reflecting increases by household size for the 2006-07 academic year, compared with 2005-06. In accordance with established procedure, the proposed new income allowances derive from the official Federal poverty guidelines published in the February 18, 2005 edition of the Federal Register, the national numbers being adjusted by 200 percent (that is, doubled), as stated in N.J.A.C. 9A:11-2.4(a).

The FY 2006 Appropriations Act includes sufficient funds to increase the maximum Article III academic year student grant by \$100.00 for both undergraduate and graduate EOF students across all sectors. Accordingly, amendments are proposed at N.J.A.C. 9A:11-2.6(d) and 3.4(d), for undergraduate and graduate students, respectively, raising annual maximums by \$100.00 and semester maximums by \$50.00. The Appropriations Act also includes sufficient funding to increase the number of EOF-eligible students. Amendments are proposed at N.J.A.C. 9A:11-2.6(c) and 3.4(c) to provide participating institutions with the flexibility to adjust maximum student grants within the proposed new award ranges in order to increase enrollment beyond the number supportable at maximum award levels. The EOF Board advises that the text of N.J.A.C. 9A:11-2.6 and 3.4 is as amended by a notice of adoption published elsewhere in this issue of the New Jersey Register, proposed at 36 N.J.R. 4868(a).

To clarify the graduate student eligibility criteria, a proposed amendment at N.J.A.C. 9A:11-3.2(c)4 would replace intended full-time enrollment with actual full-time enrollment as a requirement. In addition, a new subsection is proposed at N.J.A.C. 9A:11-3.5(e) for consistency with the undergraduate regulations governing duration of eligibility. Similar to undergraduate EOF students, a graduate student in the last semester of enrollment before graduation who is enrolled for less than a full-time course load, as defined by the institution, will be eligible to receive the maximum EOF grant.

New language is proposed at N.J.A.C. 9A:11-6.1(f) to emphasize that institutions have the authority to manage their EOF student enrollment within the approved Article III summer program allocation and to manage its academic year undergraduate and graduate student enrollment within the approved Article III academic year allocations.

This rulemaking is excepted from the required rulemaking calendar (N.J.A.C. 1:30-3.1) because a comment period of at least 60 days is provided (N.J.A.C. 1:30-3.3(a)5).

#### Social Impact

The proposed amendments to the income eligibility scale and the maximum student grants preserve the campus EOF programs' original mandate to serve students who are educationally and economically disadvantaged and provides the EOF student population with additional resources to close the ever-widening gap in financial aid resources available to meet the rising cost of higher education. Fifty percent of EOF enrollment comes from the 30 Abbott school districts, which are characterized by both low student achievement and concentrated poverty. Almost all EOF students are first-generation college students, 70 percent come from single-female-headed households, and 15 percent come from households receiving public assistance.

The amendment proposed to the graduate student eligibility criteria will reserve funding for those students who are actually enrolled in a program to earn an advanced degree. The proposed new rule regarding duration of eligibility recognizes that carrying less than a full-time course load does not reduce the cost of attendance significantly, and so there is a continued need for the maximum grant. This change would provide consistency with the undergraduate EOF regulations.

The proposed new language for the renewal application process emphasizes the institutions' authority operate in a manner that best meets the needs of their institutional programs and the original mandate of the EOF program.

#### Economic Impact

State appropriations provide funds for EOF student grants, while the State and participating institutions share the costs of program support services. The total FY 2006 appropriation for EOF is about \$40.6 million; roughly \$12 million is for academic year program support, and the participating institutions must match their respective shares of this amount. Approximately \$18 million is used for academic year undergraduate and graduate student grants, and \$10 million for the summer program. During the 2004-05 academic year, there were more than 13,350 students (unduplicated headcount) in 56 EOF programs at 41 New Jersey colleges and universities. Fifty percent of EOF enrollment comes from the 30 Abbott school districts, which are characterized by concentrated poverty (as well as low student achievement). The annual adjustment of the Federal poverty guidelines to derive the EOF income eligibility scale reflects New Jersey's higher cost of living compared with the U.S. The proposed \$100.00 increase to the maximum academic year student grant amounts will provide students with additional resources to finance their education during the academic year. Additionally, participating colleges and universities will have the flexibility to increase EOF student enrollment as long as individual student grants do not exceed the annual maximum grant.

#### Federal Standards Statement

The proposed amendments are not subject to a Federal standards analysis under Executive Order No. 27 (1994) because EOF was established by New Jersey legislation, is wholly supported by State appropriations, and is not subject to any Federal requirement or standards.

### Jobs Impact

The proposed amendments will not result in the generation or loss of any jobs.

### Agriculture Industry Impact

The proposed amendments will have no impact on the agriculture industry.

### Regulatory Flexibility Statement

A regulatory flexibility analysis is not required because the proposed amendments do not impose compliance requirements on small businesses as defined by the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The proposed amendments pertain strictly to public and publicly funded independent colleges and universities in New Jersey, none of which qualifies as a small business because all have at least 100 full-time employees, and to students participating in the EOF program.

### Smart Growth Impact

The proposed amendments will have no impact on the achievement of smart growth and the implementation of the State Development and Redevelopment Plan.

Full text of the proposal follows (additions indicated in boldface thus; deletions indicated in brackets [thus]):

#### 9A:11-2.4 Financial eligibility for initial Article III student grants

(a) The EOF Income Eligibility Scale is based on 200 percent of the annual Federal poverty guidelines (that is, doubled) as published annually in the Federal Register. This benchmark was established to reflect an eligible target population consistent with the intent of the original legislation. The EOF Executive Director shall inform institutions of annual adjustments to the EOF Income Eligibility Scale each spring.

1. Except as provided in (d), (f), (g) and (h) below, dependent and independent students are financially eligible for an initial Article III student grant if their gross household income does not exceed the applicable amounts set forth in the EOF Income Eligibility Scale, as follows.

Academic Year [2005-06] <u>2006-07</u>	
<u>Applicants with a Household size of</u>	<u>Gross Income Not to Exceed</u>
1	\$(18,620) <u>19,140</u>
2	[24,980] <u>25,660</u>
3	[31,340] <u>32,180</u>
4	[37,700] <u>38,700</u>
5	[44,060] <u>45,220</u>
6	[50,420] <u>51,740</u>
7	[56,780] <u>58,260</u>
8	[63,140] <u>64,780</u>

2. For each additional member of the household, an allowance of [\$6,360] \$6,520 shall be added to this amount in order to determine EOF eligibility for the [2005-06] 2006-07 academic year.

3. (No change.)

(b) – (j) (No change.)

9A:11-2.6 Grant amounts

(a) – (b) (No change.)

(c) The institution shall have the authority to adjust student grants within the minimum and maximum award ranges. An EOF undergraduate grant awardee shall receive not less than the minimum nor more than the maximum semester award, except that under no circumstances shall the grant when combined with other aid exceed the cost of attendance as determined by the institution.

(d) The Board shall annually review the State grant amounts for EOF students and make adjustments, if necessary. The minimum and maximum semester and maximum academic year award ranges for [full-and] full- and part-time Article III undergraduate student grants for each type of institution follows.

<u>Undergraduate</u>	<u>Semester</u>	<u>Semester</u>	<u>Annual</u>
<u>Community Colleges</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Maximum</u>
Full-time	\$100.00	\$ [475.00] <u>525.00</u>	\$ [950.00] <u>1,050.00</u>
Part-time:			
6-8 credits	\$100.00	\$ [238.00] <u>263.0</u>	\$ [476.00] <u>526.00</u>
9-11 credits	\$100.00	\$ [357.00] <u>394.00</u>	\$ [714.00] <u>788.00</u>
<u>State Colleges</u>			
<u>Commuter</u>			
Full-time	\$100.00	\$ [525.00] <u>575.00</u>	\$[1,050.00] <u>1,150.00</u>
Part-time:			
6-8 credits	\$100.00	\$ [263.00] <u>288.00</u>	\$ [526.00] <u>576.00</u>
9-11 credits	\$100.00	\$ [394.00] <u>431.00</u>	\$ [788.00] <u>862.00</u>
<u>Residential</u>			
Full-time	\$100.00	\$ [650.00] <u>700.00</u>	\$[1,300.00] <u>1,400.00</u>
Part-time:			
6-8 credits	\$100.00	\$ [397.00] <u>427.00</u>	\$ [794.00] <u>854.00</u>
9-11 credits	\$100.00	\$ [482.00] <u>560.00</u>	\$[1,040.00] <u>1,120.00</u>
<u>Rutgers, NJIT, UMDNJ-SHRP</u>			
<u>Commuter</u>			
Full-time	\$100.00	\$ [525.0] <u>575.00</u>	\$[1,050.00] <u>1,150.00</u>
Part-time:			
6-8 credits	\$100.00	\$ [263.00] <u>288.00</u>	\$ [526.00] <u>576.00</u>
9-11 credits	\$100.00	\$ [394.00] <u>431.00</u>	\$ [788.00] <u>862.00</u>
<u>Residential</u>			
Full-time	\$100.00	\$ [650.00] <u>700.00</u>	\$[1,300.00] <u>1,400.00</u>
Part-time:			
6-8 credits	\$100.00	\$ [397.00] <u>427.00</u>	\$ [794.00] <u>854.00</u>
9-11 credits	\$100.00	\$ [520.00] <u>560.00</u>	\$ [1,040.00] <u>1,120.00</u>

Independent Colleges

Full-time	\$100.00	\$ [1,200.00] <u>1,250.00</u>	<u>\$[2,400.00]2,500.00</u>
Part-time:			
6-8 credits	\$100.00	\$ [600.00] <u>625.00</u>	<u>\$[1,200.00]1,250.00</u>
9-11 credits	\$100.00	\$ [900.00] <u>938.00</u>	<u>\$[1,800.00]1,876.00</u>

[(e) The minimum and maximum semester and maximum academic year award ranges for full- and part-time Article III undergraduate student grants for each type of institution for the spring 2005 semester only follows:

	Semester Minimum	Semester Maximum	Annual Maximum
Undergraduate			
Community Colleges			
Full-time	\$100.00	\$ 525.00	\$ 950.00
Part-time:			
6-8 credits	\$100.00	\$ 263.00	\$ 476.00
9-11 credits	\$100.00	\$ 395.00	\$ 714.00
State Colleges			
Commuter			
Full-time	\$100.00	\$ 575.00	\$1,050.00
Part-time:			
6-8 credits	\$100.00	\$ 288.00	\$ 526.00
9-11 credits	\$100.00	\$ 431.00	\$ 788.00
Residential			
Full-time	\$100.00	\$ 700.00	\$1,300.00
Part-time:			
6-8 credits	\$100.00	\$ 431.00	\$ 794.00
9-11 credits	\$100.00	\$ 558.00	\$1,040.00
Rutgers, NJIT, UMDNJ-SHRP			
Commuter			
Full-time	\$100.00	\$ 575.00	\$1,050.00
Part-time:			
6-8 credits	\$100.00	\$ 288.00	\$ 526.00
9-11 credits	\$100.00	\$ 431.00	\$ 788.00
Residential			
Full-time	\$100.00	\$ 700.00	\$1,300.00
Part-time:			
6-8 credits	\$100.00	\$ 431.00	\$ 794.00
9-11 credits	\$100.00	\$ 558.00	\$1,040.00
Independent Colleges			
Full-time	\$100.00	\$1,250.00	\$2,400.00
Part-time:			
6-8 credits	\$100.00	\$ 625.00	\$1,200.00
9-11 credits	\$100.00	\$ 939.00	\$1,800.00]

## 9A:11-3.2 Student eligibility

(a) – (b) (No change.)

(c) To be initially eligible for an EOF Article III graduate student grant, a student must demonstrate that he or she:

1. – 3. (No change.)

4. Is admitted to [and intends full-time enrollment and matriculation] and enrolled full-time as defined by the participating institution in a curriculum leading to a graduate degree or certificate at an institution participating in the Fund, provided that the student has not already received a graduate or professional degree at the same level of study for which he or she is applying. Graduate degree and certificate programs must have a minimum requirement equivalent to 24 semester hours and be at least one academic year in duration.

(d) – (f) (No change.)

#### 9A:11-3.4 Grant amounts

(a) – (b) (No change.)

(c) The institution shall have the authority to adjust student grants within the minimum and maximum award ranges. An EOF graduate grant awardee shall receive not less than the minimum nor more than the maximum semester award for the academic year, except that under no circumstances shall the grant when combined with other aid exceed the cost of attendance as determined by the institution.

(d) The Board shall annually review the State grant amounts for EOF students and make adjustments, if necessary. The minimum and maximum semester and maximum academic year award ranges for Article III graduate grants for each type of institution follows.

<u>Graduate</u>	<u>Semester Minimum</u>	<u>Semester Maximum</u>	<u>Annual Maximum</u>
State Colleges and Universities	\$100.00	[\$1,100.00] <u>1,150.00</u>	[\$2,200.00] <u>2,300.00</u>
Independent	100.00	[1,375.00] <u>1,425.00</u>	[2,750.00] <u>2,850.00</u>
Rutgers, NJIT	100.00	[1,375.00] <u>1,425.00</u>	[2,750.00] <u>2,850.00</u>
UMDNJ	100.00	[2,125.00] <u>2,175.00</u>	[4,250.00] <u>4,350.00</u>

(e) (No change.)

#### 9A:11-3.5 Duration of graduate student eligibility

(a) – (d) (No change.)

(e) Students in their last semester of study to complete degree requirements may enroll for less than full-time status and still receive the maximum Article III graduate grant for which they would be eligible as a full-time student.

#### 9A:11-6.1 Renewal application process for Article III student grants and Article IV program support funds

(a) – (e) (No change.)

(f) An institution shall have the authority to manage its EOF summer student enrollment within the approved Article III summer program allocation and to manage its academic year undergraduate and graduate student enrollment within the approved Article III academic year allocations.

Recodify existing (f) and (g) as (g) and (h). (No change in text.)